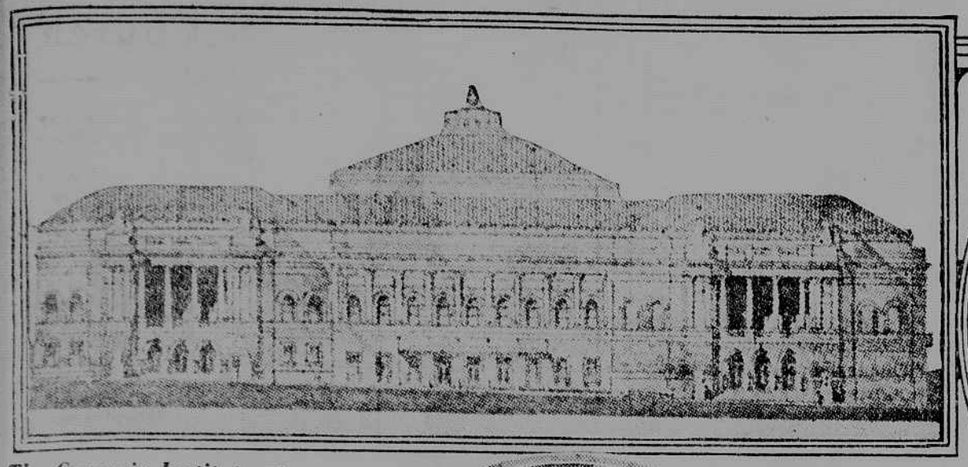
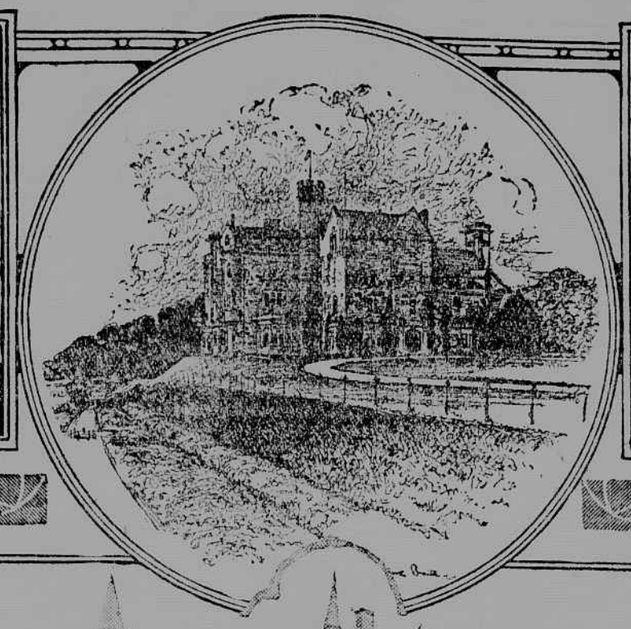
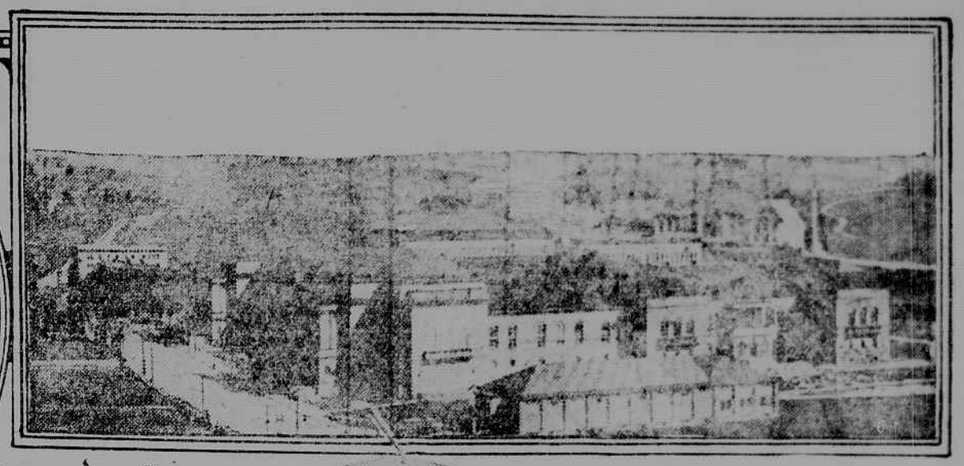
The Story of Carnegie's Rise as Told by Himself



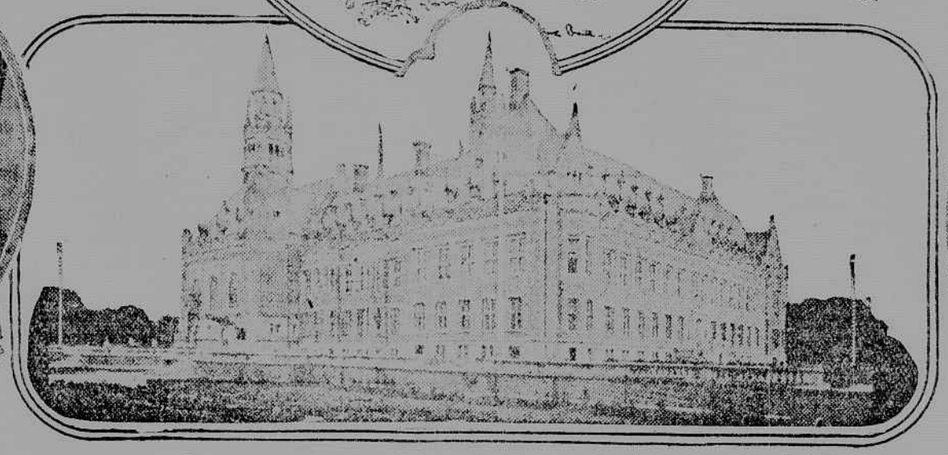
The Carnegie Institute at Pittsburgh



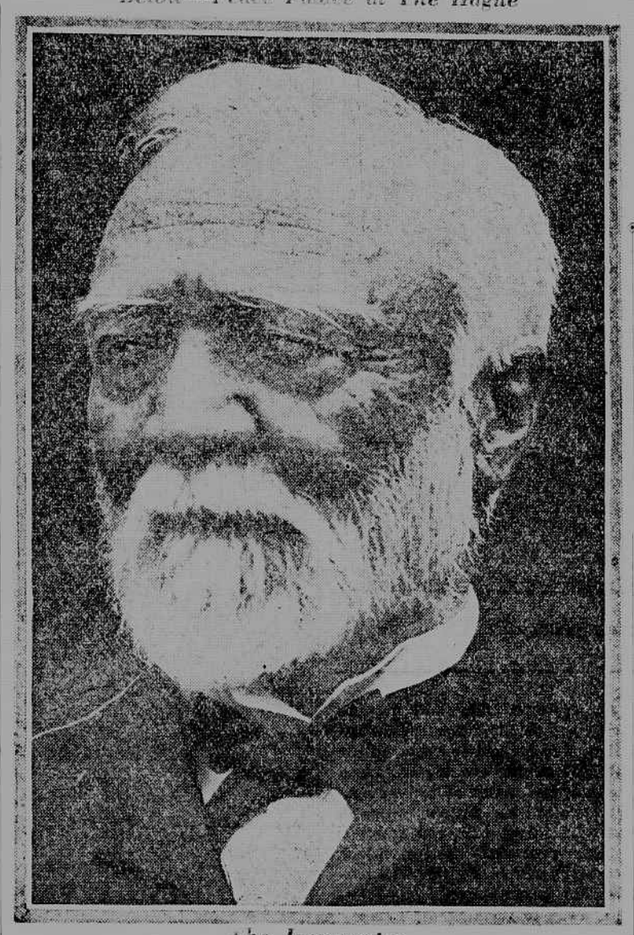
Above—Skibo Castle, Scotland
Below—Peace Palace at The Hague



Posing with a movie queen in the days when movie queens were a novelty



Above—Carnegie Institute, Tech School and Tech School for Women
Below—At his favorite game



The Ironmaster

FEW men have been better optimists than Andrew Carnegie. Rising as he did from a poor working lad to a leading industrial position in a country famous for its great industrial enterprises, it was his gospel, constantly expressed verbally and in writing, that a young man's future depends chiefly upon his own energy and perseverance. Never during his lifetime did he see anything in industrial conditions to prevent the young merchant, the clerk, the messenger from rising to eventual success. His own life bore out his optimism, and it is never lacking in his friendly and shrewd advice.

Back in 1902 he wrote a book, "The Empire of Business," published by Doubleday, Page & Co., in which he said:

"There is no service so low and simple, neither any so high, in which the young man of ability and willing disposition cannot readily and almost daily prove himself capable of greater trust and usefulness, and, what is equally important, show his invincible determination to rise. Some day in your own department you will be directed to do or say something which you know will prove disadvantageous to the interest of the firm. Here is your chance. Stand up like a man and say so. Say it boldly, and give your reasons, and thus prove to your employer that while his thoughts have been engaged upon other matters you have been studying during hours when perhaps he thought you asleep how to promote his interests. You may be right or you may be wrong, but in either case you have gained the first condition of success—you have attracted attention.

"One false axiom you will often hear, which I wish to guard you against: 'Obey orders if you break owners.' Don't you do it. This is no rule for you to follow. Always break orders to save owners. There never was a great character who did not sometimes smash the routine regulations and make new ones for himself. The rule is suitable only for such as have no aspirations and who have not forgotten that you are destined to be owners and to make orders and break orders. You will never be a partner unless you know the business of your department far better than the owners possibly can.

"Boss your boss just as soon as you can. Try it on early. There is nothing a man likes so well if he is the right kind of boss. If he is not, he is not the man for you to remain with. Leave him whenever you can, even at a present sacrifice, and find one capable of discerning genius. Our young partners in Carnegie Brothers won their spurs by showing that we did not know half as well what was wanted as they did. Some of them have acted upon occasion with me as if they owned the firm and I was but some airy New Yorker, presuming to advise upon what I knew very little about. Well, they are not interfered with much now. They were the true bosses, the very men we were looking for."

Here is the story of Andrew Carnegie's rise in the world, as told by Andrew Carnegie himself to "The Cincinnati Commercial Tribune" twenty years ago:

Having earned my own living for fifty years and been my own master for thirty-one, I rejoice to look back upon my start in the world with no other capital than honest poverty and a good home. No boy can have greater incentive for success in life than these. Sharing the fruits of my father's and mother's industry, I learned in my infancy to respect work, and longed to be a contributor to the common purse. We lived in Dunfermline, thirteen miles from Edinburgh, Scotland. My father, William Carnegie, was a successful master weaver, my mother a hard-working housewife, who yet found time to instruct me until I was eight in reading, writing and ciphering, the equipment that gave me my first betterment.

Wanted to Be Weaver

It was my first ambition to be a weaver like my father, to have four looms of my own, to employ apprentices, to make speeches in the evenings as he did on public questions—he was a consistent Radical. And I might have become a weaver but for something that happened when I was ten years old and had already been going to school for two years.

One evening I heard my father tell my mother that steam looms were coming into the trade and bothering him. The steam machinery, he said, was best handled in big factories, which made it bad for the independent master weavers. His work was falling off. He was not getting so many orders from the merchants who had been in the habit of sending him the raw material to be woven up.

Not very long after—it was in 1847—he came in one day from delivering some finished damask, looked at me quizzically and said:

"Andy, I have no more work."

An Inspiration

Where should we go? The same conditions that drove us from Dunfermline might confront us anywhere else in Scotland. But we remembered that we had relatives who had crossed the Atlantic and settled near Pittsburgh.

"We'll go there, too," said my mother. "It's best for the boys to begin life in a new country."

We reached Allegheny City in 1848. I was only eleven years old, but my heart was big for the future. I was determined to make my way in this new country.

My father went to work in a cotton factory and I followed him as a bobbin boy. From sunrise to sunset I worked, glad to feel that each day added 20 cents to my credit on the book. Saturday noon I drew $1.20 with a feeling not so much of pride as of joy to have money to take home.

Six days a week I breakfasted by candlelight and five days a week I got home after dark. But nothing could have induced me to give this up, except an offer for better work. This I soon got from a good Scotch friend of ours, John Hay, who had a bobbin factory. I was set to firing the boilers with wood chips and to tend the engine. Responsible work, too, for a boy of thirteen, not big for his age. Gradually I grew nervous under the strain of minding the engine and working all alone down in Hay's cellar. I would wake up nights, sitting bolt upright in bed, hands clenched, brows knitted, from dreams about trying the steam gauges and finding them wrong.

Mr. Hay needed a clerk upstairs in the office. He knew I could write a good hand and he offered me this place. After filling this position for some time I heard that boys were wanted in the Ohio telegraph office in Pittsburgh. I felt as though my fortune would be made if I could get into that office, so my father went with me and persuaded the superintendent, James D. Reid, to employ me. Mr. Reid often told me in after years that he remembered exactly how I looked that morning in my little blue jacket with my white hair.

A Job at $2.50

Now that I had got my job at $2.50 per week I was on thorns for fear I couldn't keep it. I knew nothing about the streets of Pittsburgh and the business houses to which I had to deliver messages. So I started in and learned all the addresses by heart, up one side of Wood Street and down the other. Then I learned the other business streets in the same way. Then I felt safe. How pleasant it was to me to work now in a clean, bright office, with desks and paper and pencils about, instead of down in a dingy cellar or in a noisy factory! The tick of the telegraph instruments fascinated me. I tried to understand it by listening, by going to the office early and playing with the key. Mr. Reid finally agreed to help me to learn, and I was soon able to receive any message by ear alone, and at that time there were possibly only two other people in the country who could do this. I had become an operator, but I was still getting a messenger's pay.

One morning, when I was in the office early, I heard a death message come over the wires from Philadelphia. I knew that sort of message required prompt handling, so I wrote it out and delivered it at the proper address. From that time the operators began to use me to "sub" for them. Then Mr. Reid made me an operator, and I had a great rise in the world, for now I got $25 a month, $300 a year, and I felt that our home rested secure on my income, for my father, who had been naturalized as an American citizen in 1853, had died soon afterward. His naturalization while I was a minor made me an American citizen. At the age of sixteen I was the family mainstay.

About this time came my first independent financial operation. I don't consider that a salaried man, no matter what his work or his wages, is in business, for he works for somebody else, not for himself. There were six newspapers in Pittsburgh, and so there had to be six copies made of the press dispatches received in our office. The man who had the job of making these copies got $6 a week for it. When he offered me a dollar to do his work I gladly agreed. I was working for myself now on an independent contract, doing something beyond my task. That dollar a week I considered my own. It did not go to the family support. It was my first capital.

February 2, 1854, the Pennsylvania Railroad was completed to Pittsburgh. In the telegraph office we knew all about this long before the road got on, and began to see in our office Thomas A. Scott, superintendent of that end of the road. I became acquainted with him, because I was the operator through whom he sent many of his messages. He asked one of the young men in his employ if he thought I would like to leave the telegraph company and come and work for him as his private operator. The young man said he didn't think so, but when this same young man told me what had occurred I asked him to go and tell Mr. Scott that I would be glad to enter his service. I was; I saw a chance to better myself.

The salary was $35 a month, $10 more than I had been getting. There is never a boy or a man employed whose chance doesn't come to him. The thing is to know it and seize it.

Determined to Get On

I have spoken of a constant determination from the first to get on in the world. There is a great deal more in feeling that way than most people think. There was another determination that I formed in my boyhood in Pittsburgh which I have been able to carry out. A gentleman named Colonel Anderson let it be known to the working boys that he could always be found in his library Saturday afternoons and would be glad to see them there. I went as soon as I heard of this. Strange to say, there was some question about my right to come in under the head of working boys, as I was now a telegraph operator. That made me indignant. So I sat down and wrote my first contribution to print in a letter to "The Pittsburgh Dispatch." I insisted that any young man or boy who worked, whether with his head or his hands, was entitled to be known by the honorable designation of "working boy," as I had signed myself. After that I had no trouble. And I found that Colonel Anderson permitted us to take his books home with us. I saw how much good he was doing, and I determined then and there that if I were ever able to do it I would provide free libraries for people who worked. That has been one of my hobbies that I have carried out.

From Mr. Scott's private telegraph operator I became his private secretary. I worked with him and under him and J. Edward Thomas for thirteen years, from 1854 to 1867. I soon became attached to him, and learned to look up to him almost as a father. I went wherever he went, travelled with him, slept in the same room with him, and could not help feeling, from his attachment to me, almost dependence on me, that I had won his affection.

One day Mr. Scott asked me if I could get $500 to invest. I didn't have the money and I didn't know where to get it, but I wasn't going to throw away the chance of my life—the opportunity of investing with my chief.

"Oh yes, sir," I answered him, "I can get it."

"Well," said he, "get it as soon as you can. In fact, $600 is the amount needed, and I can help you out a little if you can't raise it all. A man has just died who owned ten shares of Adams Express stock. It costs only $60 a share and it pays 1 per cent a month. You must buy it."

A Crisis

I felt that this was a crisis in my life, my chance to become independent, to get away from the slavery of salary to the independence of competence. And for the means to accomplish this I turned to my one unfailing, faithful friend, my mother. I knew she could get the money—I didn't think there was anything she could not do. I also felt that if Mr. Scott had known how utterly out of the question it was for me or my family to have $500 on hand he would have advanced the whole sum for me. But my Scotch pride would never have permitted me to tell anybody how poor we were. Our savings—$800—we had gradually put into our home. The best investment anywhere for anybody is real estate, and this was now paid for. Should we mortgage it to raise the money for this investment? My mother said yes unhesitatingly. What is more, she said she would get the money for me, and she did, from her brother, who lived in Ohio.

(During the period that followed this investment Andrew Carnegie followed the fortunes of his employer, which took him through the Civil War. He was in charge of railway communication at the battle of Bull Run, and was the last official to leave for Alexandria. His first investment was made. His second followed shortly afterward.)

I was examining the railroad track one day after my return to the service of the Pennsylvania Railroad Company, when a tall man with a green bag in his hand came up and asked me if I was connected with the Pennsylvania Railroad Company. When I said yes, he drew out a model of a sleeping berth and showed it to me. He did not need to explain it at great length. I seemed to see its value at a flash. Railroad cars in which people could sleep on long journeys—of course there were no railroads across the continent as yet—struck me as being the very thing for this land of magnificent distances. I told him I would speak about his model to Mr. Scott, and I did so enthusiastically. He did not share my enthusiasm, but said I might bring the inventor to see him. So I introduced T. T. Woodruff, the inventor of the sleeping car. And the result was not only the building of two trial cars, which were run over the Pennsylvania Railroad, but the formation of a sleeping car company, in which I was offered an interest. I promptly accepted, although I didn't quite know where my share of the capital was coming from. But this, my third business venture, found me confident in my ability to overcome difficulties. I had secured the money to buy the Adams Express stock. I would get the money to buy the sleeping car stock.

But how? At last I went to the bank, and, telling the president the exact facts, offered him my note for $217.50, my share of the first payment on the stock, if he would advance me the money and let me pay him back out of my salary at the rate of $15 a month. To my delight he patted me on the back, said "You are all right, Andy," and discounted my note. My subsequent payments for the stock in the Woodruff Sleeping Car Company I was enabled to meet, without giving any more notes, from the receipts of the cars themselves. It was thus I made my first substantial capital.

Luck in Oil

When I heard of the oil strike on the Storey farm, on Oil Creek, I resolved to invest in oil lands. I visited that famous well, from which quantities of oil were running waste into the creek. The capacity of the well was several hundred barrels a day, but when my associates and I bought the farm for $40,000 we had no confidence that this flow would continue, and built a pond big enough to hold 100,000 barrels. We ran our oil into this pond until we had run in several hundred thousand barrels, part of which leaked and some of which evaporated. Yet this investment of $40,000 paid us in one year $1,000,000 in cash and dividends, and the farm itself eventually became worth, on a stock basis, the sum of $5,000,000.

There were so many delays on railroads in those days from burned or broken wooden bridges that I felt the day of wooden bridges must end soon, just as the day of wood burning locomotives was ended. Cast iron bridges, I thought, ought to replace them, so I organized a company, principally from railroad men I knew, to make these iron bridges, and we called it the Keystone Bridge Works. The development of this new company required my time, so I resigned from the railroad service in 1867. I had risen from telegraph operator to be superintendent of the western division. I no longer drew a salary; from that time on I was my own master.

In 1868 I returned to England, and there I noticed that the railroads were discarding iron rails and substituting steel. The necessity for this had long been impressed on me and on railroad men in general. In fact, the Pennsylvania Company had at my suggestion spent $20,000 on a process for hardening iron rails by carbon, precisely the modern Harvey process, and very good rails they were, too. But on my return from England I built at Pittsburgh a plant for the Bessemer process of steel making, which had not until then been operated in this country, and started in to make steel rails for American railroads. I bought the Homestead works some time later, and by 1888 owned, with my associates, seven steel works in and about Pittsburgh, which constituted the plant of the Carnegie Steel Company.

Concentration is my motto. First honesty, then industry, then concentration.

English Comment On Carnegie

New York Tribune Special Cable Service.
(Copyright, 1919, New York Tribune Inc.)

London, August 16.

THE English press comments at length upon the death of Andrew Carnegie. "The Times" says the steel master's death comes when he had already passed out of public notice.

"A few years ago," that journal says, "no man was more in the public eye. Vast wealth, snatched from opportunity by a poor Scotch lad, the contrast between the bitter opponent of organized labor and the propounder of theories on the duties of wealth, the colossal amounts of his benefactions and critical scrutiny of their effects—all compelled the attention of the world. He was in no sense an inventor or creator. He undoubtedly overestimated the power of wealth. Wealth had made him great, and he thought its powers unlimited. He suffered from the want of education, and imagined that the gift of $10,000,000 to Scottish universities could turn all Scottish boys and girls into prodigies.

"It is unnecessary to insist that his expectations were unfulfilled, and that, in many instances, his benefactions were doubtful blessings. But it is only fair to add our testimony to the genuineness of his desire to do good. His failure lay not in the will, but in the method."

"The Daily Telegraph" carried a full page on Carnegie, saying editorially:

"We have for many years thought Andrew Carnegie a model millionaire. He seemed the incarnation of the ideals of the Victorian age. No breath of scandal ever touched his name. He rose to a fortune passing the dreams and almost the comprehension of avarice by means which even his enemies could not attack. Caution, shrewdness, foresight, great organizing power—those were his weapons in the fight for dollars. It marked the same spirit which in all his charities designed to foster individual effort."

Many other papers remember Carnegie in connection with the labor troubles of Pennsylvania, his reverence for American democratic institutions and his extensive charities in the United States, rather than in Great Britain. "The Daily Herald," organ of labor, refers very kindly to the man who was lately labor's traditional enemy.

Bits of the Carnegie Philosophy:

IT IS important that the masses understand what millionaires do. We must justify our existence.

Of all the blessings of life there is none that ranks above that of good fellowship.

None know better than I the troubles of the night editor.

I don't consider that a salaried man, no matter what his wages, is in business, for he works for somebody else, not for himself.

Concentration is my motto—first honesty, then industry, then concentration.

You Germans should not leave the Motherland out of your calculations. I refer to England. She is the Motherland.

The voice of the people will always make itself heard. They can always be depended on to vote right when their interest is aroused.

I believe that the Republic is immortal and that it will come through all its troubles with its foundation unshaken.

A city should own its public utilities whether it operates them or not.

I will intrust my dollars to an institution if I think it a good one, but not my name. That is sacred.

Speculation is a a parasite feeding on values and creating none.

I never made a dollar on the Stock Exchange in my life. I would as soon gamble with cards as to speculate in Wall Street.

Warships become obsolete in a few years; the railroad is everlasting and constantly improves.

Wealth can create happiness only in the measure that it permits one to make others happy.

You can safely put all your eggs into one basket when it is your lifework and then watch the basket.

It is impossible for any man long to keep another down.